

"RIGHTS"**FINANCIAL REVIEW
OF THE PAST WEEK**

Erie R. R. Rights
Texas Co. Rights
United Fruit Rights
Detroit Edison Rights
Midvale Steel Rights
Alaska Gold Co. Rights
Aetna Explosives Rights
Gulf States Steel Rights
Maxwell Motor 1st Pfd.
Dividend Warrants

Winchester Arms
Ingersoll Rand Com.

Information and Quotations on request.
Gude, Winnill & Co.
 Members New York Stock Exchange
 20 Broad St., N.Y. Tel. Rector 8880

Tax Exempt in New York State

Rochester

New York

Gold 4% & 4½% BondsInterest payable semi-annually.
 Maturity January 1, 1924-26Legal Investment for Savings Banks
 and Trust Funds in New York and
 all New England States.Prices to yield 3.80%
 Particulars on request

N.W. Halsey & Co.
 49 Wall Street, New York
 Philadelphia Chicago San Francisco
 Boston Baltimore St. Louis

February Bond Circular

We shall be pleased to send a copy
 of our February General Bond
 Circular to investors on request.
 This circular describes a comprehensive
 list of carefully selected
 municipal, railroad and public
 utility corporation bonds, which
 we recommend for investment.

Send for General Circular 91

Harris, Forbes & Co.
 Pine Street, corner William
 New York

Amer. Gas & Electric Co.
Amer. Light & Traction Co.
Central Petroleum Co.
Cities Service Co.
Pacific Gas & Elec. Co.
Southern Calif. Edison Co.
Western Power Co.

Lamarche & Coady
 Phone 3370 Rector 14 Wall St.

**FOR SALE
100 Shares**

Aluminum Co. of Amer.
 Inquiries Invited
J.K. Rice, Jr. & Co.

Phone 3370 Rector 34 Wall St., N.Y.

Babcock & Wilcox
FREDERIC H. HATCH & CO.

Phone Broad 5110, 20 Broad St., New York.

Private telephone to Boston and Philadelphia

Winchester Arms
J.K. Rice, Jr. & Co.

Phone 3370 Rector 34 Wall St., N.Y.

Benjamin Franklin says:
*"Wealth is not his that has it,
 but his that enjoys it."*

THE Federal Income Tax
 Law requires that all persons who received a net income of \$3,000 or more during the calendar year 1915 must file an annual return on or before March 1, 1916.

This Company's Trust Department will be glad to render assistance in compiling and arranging figures for this return.

Established 1868

Franklin Trust Company
 New York Office, 46 Wall Street
 Brooklyn 1666 Montague Street
 Office, 1666 Fulton Street

**BANKERS TRUST
COMPANY**

As trustee and
 Agent for Persons and
 Corporations.

tions an upward tendency was discernible, and even though dealings were far from one-sided the inference was permissible that in the January decline the position of the share list had altered for the better.

Strain of Diplomatic Tension.

At the end of last year the market was, among other things, feeling the strain of the diplomatic tension which had become acute in the country's relations with Mexico. It was felt that the circumstances that the Lusitania case was about to end in an agreement of policy which would avert a breach of relations did not proffer the kind of information which would engender much enthusiasm, but they were negatively favorable, and the resulting element of restraint and pressure from the stock market which had been preventing any fresh response to the persistence of prosperous business expansion.

Within the last month also there has been a diminution of foreign liquidation while the continuing disturbance in all departments of the world's diplomatic status was a partial cause of the more active foreign selling, but the principal factor was the dislodgment of investments in Great Britain by the British Government's securities mobilization scheme. Of late the financial district has been at the option of the Government held abroad were less likely to press for sale in the market than they were to be employed as collateral for the loans intended to provide the funds which may be expended under Government direction in the purchase of supplies here necessary not only for the purposes of war but for the prosecution of civilian activities.

The greatest conjectural change in the stock market conditions has resulted from the January reaction. This was the most extensive and prolonged reactionary movement since the upward movement of prices got fairly under way last year, and it has been a period of time when the market has been less steadily placed than it was at the end of December, when it was still suffering from a congestion of weak speculative commitments in industrial shares. There would seem, accordingly, to have been an elimination of the chief obstacles preventing a market-wide reaction of the speculative element, which, when so many incentives are combining, is likely to charge income heavily for depreciation, add materially to working capital, reduce fixed charges through the retirement of note issues, and the purchase of bonds and pay dividends which are decidedly moderate in view of the surplus earnings available.

Political and financial and labor trou-

bles at home are serviceable brakes on

forward action when so many incentives offer to demonstrations of money-making confidence. The more desperate phase of the European war with its multiplying possibilities of international complication advertises the necessity of a considerable degree of caution.

Yet there is nothing in the situa-

tion to warrant the conclusion that

forward business activities are likely to be deteriorately contracted nor values

in or out of Wall Street materially im-

paired by anything short of an unavoidable alteration in the country's relations to the war.

Market Helps to Sustain Values.

If there is a deficiency of working capital anywhere it would seem to be in Wall Street, where the amount of investment in business conducted by brokerage houses has not increased in the proportion required to late years in the preparation of the immense lengthening of the list of securities dealt in, the magnitude of corporate capital at market valuations and the increase of public buying power seeking an outlet through the medium of securities purchases which are not restricted through the medium of brokers' loans. There is such a deficiency of Wall Street working capital it is important, for brokerage facilities have a useful relation to the process by which securities, especially stocks, pass through speculative activities into the investment area and find ultimate lodgment in the hands of long-term holders. Adequate working equipment conduces to the establishment and maintenance of an active and free market and the marketability of securities is a substantial element in their investment value.

As the stock market stands it is in a state of strength because of the lack of speculative recklessness and imposed temporary terms. There is no indication that a quoted actual value reflects an enhanced actual value has been seriously impeded by any inadequacy of brokerage facilities. There are signs that the development of speculation has been on the whole rather healthily retarded than, on the contrary, so that the speculative position has not been so deeply converted into a semi-investment position. Wall Street may connote an extensive distribution of stocks at present, but accounts are well fortified by funds representing the equitable interest in commitments and supported by an astonishing increment of corporate profits, which not only safeguards current dividends but promises larger dividends later in the year.

Send for General Circular 91

Same as in General Business.

There is no doubt a great mass of securities to be handled and accommodated in various ways. Just as there is a great volume of materials and goods to be handled and moved by the industry and transportation trade, but the attitude in the securities market is the same as in general business. A great deal of money is being made by individuals, interests, institutions and organizations which is being devoted to the acquisition of securities and the purchase of goods. A great deal of profit is to be gained by the investment of profits and increased dividends and for disbursement in wages to labor and expenditure for materials entering into sustained production for the purpose of meeting expanding needs.

Enriching all money-making activities, the banking and financing characteristics of capital are particularly credit to accommodate borrowing on collateral security or commercial paper. What are called bullish periods, either in stocks or business, that is, periods of expanding volumes and values, do not terminate in any such easy manner, markets as the country still enjoys, despite the fact which has already been had to result.

Indications for renewed progress in the expansion of values in Wall Street must be derived from the incentive furnished by the evidence of money-making activities in the country as a whole. There is no token of any change in the forces of production, labor, materials and exchange popular buying power. Domestic trade and industry are moving forward with a momentum which will be hard to stop, although there may be a temporary slowing down on occasion. The more that the country is not only checked but is continued to expand its markets by foreign customers is assured by the experience and confidence which our finance has gained in supplying capital and extending credit to foreign borrowers. But it could be wished on the score that a national government policy which would safeguard and encourage foreign financial and commercial enterprise were more clearly in the way of definition.

Preparedness in Business.

Preparedness in all its aspects does not mean what apparently it is being interpreted to mean at Washington. On the one side does not half-burned and incomplete measures advocated by proponents who do not believe in them and must reverse themselves to endorse genuine measures of preparedness. Nor does preparedness in relation to the commercial and financial future mean an evasion of downward pressure of capital and the substitution of new-fangled schemes to regulate the selling prices of foreign producers and traders. Neither does business preparedness mean the discouragement of private enterprise in the ocean shipping trade by the projection of government competition into the merchant fleet. Finally, no means can be taken which itself very differently from a policy which favors a general seafarers on the Government's part whenever American interests in life or property are threatened to precipitate a disastrous naval conflict. The call for vigorous proof that American citizenship means something beyond the confines which limit court processes.

Some signs were visible in the stock market last week that Wall Street considered of the balance of facts and interests was issuing in constructive tendencies, as evidenced by a long time lagging measure, had been the obvious thing in the market, a buying disposition was more manifest. Corporate stocks moved distinctly in the direction of a belated reflection of the abnormal profits which are yielded by the record breaking strength of the market for the metal. In other descrip-

TRANSACTIONS FOR THE WEEK.**Railroad and Other Shares.**

The following table gives, in addition to the sales for the past week and range of stocks on the New York Stock Exchange, their dividend yields calculated on the closing sale or bid price on Friday night:

—Week ended Feb. 10.—

High-Low-Clos.-Net.—1916—
 Sales est. out. est. in Ch. High-Low.

440 C.R.I.P. of 1916 50¢ 47 — 2 50 50¢ 48

5 C.R.P. & P. 47 — 47 47 — 47 47

10 C.R. & M.R. 100 100 100 100 100 100

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44 C.W. Wind. 80 80 80 80 80 80

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